

Semiannual Report
July - December, 2001

ASSISTANCE TO ALBANIAN AGRICULTURAL TRADE ASSOCIATIONS

AAATA

Cooperative Agreement no. PER-A-00-99-00001-00

by

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Submitted to

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C.

January, 2002

ASSISTANCE TO ALBANIAN AGRICULTURAL TRADE ASSOCIATIONS

Semi-Annual Report, July 1 – December 31, 2001

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I. EXECUTIVE SUMMARY

This report for July – December 2001 marks the end of the first phase of the AAATA project. During this three-year period, the IFDC project team fulfilled the objectives and produced the results laid out in the Cooperative Agreement of January 15, 1999.

The project has established: seven democratic and functioning agricultural trade associations, a mechanism to sustain their financial viability and capacity to serve members, a federation of 17 trade associations as an effective voice for advocating policy reform, and three credit unions, one of which is the strongest in the country. Through the trade associations, project teams have helped over 700 agro-enterprises gain access to technology and credit that enabled them to expand their operations significantly. With a cadre of 50 progressive firms, AAATA has demonstrated that Albanian agribusiness can compete, despite the many in-country constraints. IFDC will prepare a separate end-of-phase report that describes key achievements and lessons learned.

During the July-December time frame, the project fulfilled the activities and met the performance indicators contained in the annual work plan. Highlights of the period include:

- Advances in production and quality among the client enterprises, including notably the first production in Albania of extra virgin olive oil, turkeys, roasted peppers, and cherry tomatoes,
- A National Conference of KASH that set the agenda for reform of fiscal policy,
- A breakthrough agreement by the government to dedicate proceeds from the sale of Japanese commodities for a revolving credit fund (\$ 1,300,00 to date) for purchase of agricultural inputs,
- Strengthening of the Association Business and Management Center,
- The first major conference in Albania on food quality and safety issues
- Three new bank credits for clients worth \$380,000, bringing the total to \$3.2 million, supplier credits of \$500,000, and new local investments of \$5 million,
- National publicity for USAID and the project with the awarding of Albania's highest honor to the AAATA project Chief of Party,
- Arrangements with a German organization to provide a long-term agricultural expert to help develop horticulture in the south
- Cost share, loans and contributions of \$6.2 million, bringing the year 2001 total to \$ 8.5 million, and overall phase one total to \$21 million.

In preparation for the launching of the second phase of the AAATA Project in January 2002, project management re-oriented the program to address more effectively the new emphasis on key sub-sectors. To spur the development of industry clusters and value-added commodity chains for competitive products, the project created an Agribusiness Consulting Group (ACG). The intent is to promote sustainable business consulting services. To ensure that the trade associations will continue to function and be financially self-reliant, the project is stepping up the non-dues revenue generation from existing and new services including a pilot commercial consulting unit. To serve better the horticultural producers in the south, new regional offices have been opened and an expatriate advisor, courtesy of Germany, assigned to Fier.

IFDC and project staff looks forward to the two-year phase that has just begun. The program developed in coordination with the USAID Mission makes business sense and is a natural evolution from phase one. It builds on the successes and best practices that are emerging from the proving ground that Albania has become. IFDC is pleased that USAID chose the projects in Albania from which to fashion the case study now used to train all USAID EGAT officers. USAID Missions for Nigeria, Kyrgyzstan, Azerbaijan and Malawi have also recently agreed to fund projects adapted from the agro-input marketing and trade association models being developed in Albania.

II. LIST OF ACRONYMS

LIST OF ACRONYMS AND EXPLANATION

1. AAATA COMPONENTS:

AAATA	Assistance to Albanian Agricultural Trade Associations, the USAID Cooperative Agreement with IFDC
ABMC	Association and Business Management Center
ADU	Agribusiness Development Unit
CUU	Credit Union Unit
FCU	Finance and Credit Unit
ISU	Institution Support Unit
MU	Media Unit
TAU	Trade Association Unit

2. AAATA SUB-CONTRACTORS AND DIRECT COLLABORATORS:

AATDA	American-Albanian Trade and Development Association
CASP	Collaborative Agribusiness Support Program
DSCAMF	Development of Savings - Credit Associations Movement Foundation (Albanian NGO specializing in credit union formation and support)
LOL	Land O'Lakes

3. AGRICULTURAL TRADE ASSOCIATIONS:

AFADA	Albanian Fertilizer and Ag-input Dealer Association
AFPA	Albanian Fishery Professional Association
Alb-Flor	Medicinal Herbs Association
AMPA	Albanian Meat Processors Association
ANSPA	Potato Seed Association
AOA	Alimentary Oil Association
APEX	Association of Associations. Transitioning to KASH
APFA	Albanian Poultry Farmers Association
AVALB	Albanian Agricultural Mechanization Association
BKFSH	Natural Farmers Union
DENA	Dairy Processing Association
HABA	Horticultural Albanian Businessmen's Association
KASH	Counsel of Agricultural Trade Associations
LEEA	Dairy Production Association
UPM	Wheat Millers Association

4. GOVERNMENT OF ALBANIA:

DSI	Directorate of Statistics and Information
FRI	Food Research Institute
GOA	Government of Albania
LRI	Livestock Research Institute
MOAF	Ministry of Agriculture and Food
MOEC	Ministry of Economic Cooperation
MOF	Ministry of Finance
PCOA	Parliamentary Committee on Agriculture
VRI	Veterinary Research Institute

5. DONOR COLLABORATORS:

FAO	Food and Agriculture Organization (UN)
GTZ	German Aid
PSOPA	Promotion of Self-help Organization in Private Agriculture
SRFSA	Sustaining the Restructured Fertilizer Sub-sector in Albania
TSU	Technical Support Unit (IBRD Agribusiness Project)
UON	University of Nebraska Business Education Project
CIM	Centrum fuer internationale Migration und Entwicklung (Frankfurt)

6. OTHER:

AAEF	Albanian American Enterprise Fund
ABA	American Bank of Albania
BOT	Bank of Tirana
KONKO	Mechanization Cooperatives
PSES	Private Sector Extension Services
QABI	Information and Agribusiness Center
TTC	Technology Transfer Center

III. PROGRAM COMPONENTS

A. AGRICULTURAL TRADE ASSOCIATION STRENGTHENING

General Status

During the second half of 2001, the project made good strides in helping the client trade associations and their institutions to adopt procedures and programs that will ensure financial viability and effective service and advocacy after the project ends. To that end, and in accord with the annual work plan, the emphasis during this period was on:

- Increasing the generation of revenues to achieve financial sustainability,
- Developing strategies for membership drives, including a media campaign,
- Internal training for ABMC staff to improve institutional capacity,
- Implementing the concept of contracts and payment for consulting and other services,
- Reinforcing the sustainability objectives at nine Associations General Meetings,
- Helping KASH increase membership and convoking a National Regional Conference that analyzed the present achievements and to developed an advocacy agenda for fiscal reform.

ABMC increased rates of dues and services, thus generating additional revenues of \$9,000, bringing the balance in the account to \$40,000. The National Farmers Union (BKFSH), a potentially significant force for agricultural improvement, has joined ABMC, bringing the paying partners to nine. KASH also increased its membership to 18, by adding the Beekeepers Association of Albania.

The project agricultural and agribusiness units continued to reinforce the benefits of association membership by working with ABMC and the industry associations to provide valuable services, including technical support, training and workshops, trade missions, market and other information, and technological innovations.

Summary of Objectives

- 1. Develop association's capacity to provide services to members.**
- 2. Improve association financial well being.**
- 3. Boost membership, leadership, and strength.**
- 4. Solidify the organizational base of agricultural trade associations.**
- 5. Promote consumer quality awareness and build associations' image.**
- 6. Develop sector/industry strategies.**
- 7. Provide technical assistance to association membership.**
- 8. Encourage effective advocacy.**

Activities in Support of Objectives

- 1. Develop association capacity to provide services to members.**
 - a) Provided concrete support for services, such as logistics for trade missions:
 - Two HABA members visited the “ANUGA” fair in Berlin Germany in October 2001.
 - The “DRIZA” company paid \$500 for technical assistance regarding business in Turkey.

- Prepared for a trade mission to the HELEXPO AGROTICA Fair, Thessaloniki, Greece January 31, 2002 – February 6, 2002.
- b) Access to Internet
- Enabled Internet access for 700 association members to help them find international market prices, sources of equipment, new technology, and training materials.
- c) Internal Training events include:
- A course in Project Management, Business Communication, Managing Human Resources (provided by the Harry t. Fultz Community College in August-September).
 - Association management and strengthening for ABMC by STC Tom Morison (October).
 - Training for staff and association leaders in writing grant proposals. (Ed Beaman, Karen Piconi (November).
 - Training of the new Agribusiness Consulting Group (ACG), which includes the former ASPU unit that served as technical support for the associations, by international consultant Tom Morrison on future developments in paid agro-consultancy.
 - Training of trainers (five members of ACG) at a workshop on “Agro-Processing and Marketing”, in Sarajevo (B&H) from November 27 to December 8.
- d) Updated a database for eight partner association members according to their region.
- e) Undertook a survey in October to update association member needs and interests.
- f) Developed new of services for members.
- Staff has identified new services such as training in GMP and HACCP for which members are prepared to cover costs.

2. Improve Association Financial Well-Being

- a) The AOA board approved an increase in annual dues from 6.000 Lek to 8.000 Lek for 2001, an increase of 35 %. The AOA board also agreed to have special annual dues of 2.000 Lek for another membership category, that of olive growers.
- b) Prepared association budgets.

Statement of association budgets as of December 31, 2001 follows:

HABA	\$ 4,449
AVALB	\$ 13,160
AMPA	\$ 5,116
AOA	\$ 3,403
APFA	\$ 3,036
AFPA	\$ 804
AFADA	\$ 4,193

Deposit in the ABMC account is: **\$ 40,141**

- c) Identified strategic partners to generate non-dues revenue.
- The AOA worked with CEFA an NGO to organize training and a round table discussion in December on new methods of olive harvest and processing in the Elbasan area.

- The AFPA (Belsh group) organized training for the use of new effective synthetic materials in the production of fish. A member of AFPA was awarded a \$100,000 grant from the 2KR program of Japan for purchase of a processing line for fish and mussels,
- The AOA received support from World Learning for an in-country training/demonstration program of a new method for controlling olive fly. The demonstrations took place in August and September in Dhermi & Qeparo (Vlore), Shen-Vasil (Sarande) and Hajdaran (Elbasan),
- ABMC submitted a grant proposal for \$10,000 to the SOROS Foundation. Though unsuccessful, this was a first time learning experience.

3. Boost Membership, Leadership and Strength

- a) Prepared a new membership package for the December drive launched during the regional KASH and ABMC meetings in December. The package included:
 - Materials for training regional membership coordinators;
 - The ABMC booklet, signs and seal, and membership cards.
- b) Prepared a model MOU to be used with clients for ABMC services and consultation.
- c) Developed and implemented a media campaign for the association membership drive. ABMC staff wrote several articles in “Agrobiznesi” and spoke at various project meetings and workshops to encourage new membership.
- d) Provided industry information:

All managers of associations wrote articles in the “Agrobiznesi” magazine. For example:

 - AOA produced articles on olive growing and olive oil processing, the quality and inspection of olive oil, and the adulteration with other vegetable oils in the Albanian market.
 - AFPA wrote about raising fish and diseases of the carp family.
 - APFA produced articles on techniques for producing better eggs and broilers.
 - HABA prepared a brochure on international standards of vegetables for export and provided information on good quality seeds supplies for greenhouses in the new planting season.
 - AMPA wrote articles on GMP and HACCP for the meat processing industry.
- e) Updated the existing AOA, HABA, APFA, AMPA and AFPA membership lists.
- f) Assisted two producer associations, Adriatik and Hysgjokaj, in by-law development, organization of general annual meetings, membership, and association structures. Through this effort each association has increased membership by 50 %.

4. Solidify the Organizational Base of Agricultural Trade Associations

- a) Five regional KASH National Agribusiness Council meetings were held in December to discuss objectives during 2002. More than 330 participants in these meetings were informed on ABMC development and activities, current discussions of KASH advocacy issues, and recent industry information.
- b) Client association Board Meetings were held in October and November.
- c) ABMC/ KASH conducted a Regional Coordination meeting in November.

5. Promote consumer quality awareness and build associations' image.

- a) Participated in national, regional and international fairs for agriculture and agro-processing.
 - Two processors from AOA, six from AMPA and three from HABA took part in national fairs in October and December, featuring different packing materials, quality, and shapes.
- b) Arranged for media coverage for important activities, and increase public awareness for the role of trade associations in economic growth.
 - Conducted a media campaign in November for the olive harvest, emphasizing the need for rapid post-harvest delivery of olives for processing, and the use of olive shaker units, in 13 sites in four districts, in cooperation with national and local media.
- c) Collaborated with consumer organizations in promoting food quality.
 - AOA, HABA, AMPA and APFA collaborated with the national consumers association to warn about false products and highlight the quality and safety of their products
- d) In cooperation with the Food Research Institute (FRI) and the Veterinary Research Institute (VRI), developed and distributed food quality and safety brochures.
- e) Trained food producers in food safety and quality issues, in collaboration with FRI and VRI.
 - The JAL olive oil company (AOA), EZ&ZY fruit processing (HABA), EHW and Meat Master (AMPA), FLORYHEN (APFA) sponsored an international conference on “Food Quality & Safety” in Tirana on September 21-22.

6. Develop sector/industry strategies.

- a) The ASPU team undertook analyses for each of the strategic sub-sectors.
- b) Staff then prepared the IFDC/AAATA strategy for 2002 and 2003 for the olive and edible oil, vegetable production and greenhouse, poultry, meat processing, and fish production industries.
- c) APFA continued work on a study describing the situation and prospects of the poultry industry.
- d) HABA undertook preliminary discussions and evaluation for the production and export of processed cucumbers to Israel. Three groups of farmers in Saranda region are interested in this.
- e) AMPA collected information about ways to reduce costs and integrate the marketing systems for the meat processing industry.

7. Provide technical assistance to association membership.

- a) Conducted individual visits with local experts to agro-processors.
 - AMPA focused on implementation of GMP/HACCP with the support of a meat expert.
- b) Assisted in export promotion:
 - The project teams have helped interested association members to explore the possibilities for exporting products, such as fish, eggs, dried figs, olive oil (to Kosovo), fresh and processed vegetables. For example, Saranda farmers have exported 100 MT watermelons to Croatia, and EN&ZY is ready to export 60 MT of roasted peppers to Israeli.

- An AOA processor in Vlora district was assisted on the regulations for Kosher certification in order to export to Israel.
 - Thirteen olive oil processors were provided expert assistance and acidity analysis to upgrade the quality of their products. **Seven of them are now able to produce extra virgin olive oil.**
 - Assistance was provided to an AFPA firm on new technology for packaging and labeling, food safety, the rules of hygienic conditions, quality food production (GMP), and Kosher certification.
 - APFA members from Berat have collaborated with two companies in Italy – the Facco company in Padova for new technology and the Farmer company in Porto Mantova for animal health products.
 - Floryhen is collaborating with a Hungarian company for feed meal packaging and marketing.
- c) APFA has assisted a client on new methods and technology for growing chickens and provided information on market prices for eggs.
 - d) Thirty-seven HABA members participated “on-the-spot-courses” organized in Tirana, Fier and Saranda with the support of the Israeli Ministry of Agriculture to evaluate irrigation systems, tomato seeds, and new greenhouse construction.
 - a) A team of project staff and an international expert, Mr. Apostolis Kiritcakis assisted 12 olive oil processors particularly in improvement of olive oil quality. Samples from 12 olive oil processors were analyzed for phenols compounds in the Technological Education Institute of Thessaloniki, Greece in December.
 - f) Instruction leaflets to determine the acidity percentage of olive oil using the portable kit were distributed.
 - g) AFPA prepared a brochure on different kinds of fish (growing, catches and diseases).
 - h) A two-day extension seminar with olive growers, olive processors on olive harvesting and processing technology in Vlora area was conducted in September.
 - i) Staff assisted two fish farming clients from Saranda and Lezha on packaging and marketing others in Lushnja and Fier to obtain fingerlings of the carp family
 - j) Seventeen clients in Hysgjokaj were helped in restocking fish to increase yields.
 - k) HABA identified 8 producers of greenhouse tomatoes interested in selling their products together in the Tirana wholesale market. They have the potential to export.

8. Encourage Effective Advocacy. (KASH)

The first Congress of KASH held on May 10, 2001 increased significantly the reputation of KASH. Agribusiness was an important issue of the election campaign for all political parties in Albania. (The new Minister of Agriculture and Food comes from the agribusiness community and is a member of APFA.) This was reflected in a more active role in all important decision making processes related to agribusiness. KASH participated in the preparation of the government's "Growth and Poverty Reduction Strategy", Free Trade Agreement with FYROM, and fiscal reform for year 2001.

On October 23, 2001, the Beekeepers Association of Albania joined KASH increasing the membership to 17 Agribusiness Associations.

- a) A governmental degree was approved in July to allocate \$1.3 million from counterpart fund of the 2KR project that supplied agro-processing lines.
- b) KASH presidents were invited by the PIERALISI Company to visit its plants in Italy in September. Both parts decided to increase cooperation in the future.

- c) KASH organized a workshop for agribusiness associations of Kosovo in mid-September. They discussed future cooperation.
- d) A National Conference of KASH was held on October 24, with the participation of all board members of 17 agribusiness associations, to discuss KASH positions on fiscal reform. The President of Albania, the Minister of Agriculture and Food, the U.S. Ambassador in Albania, representatives of the USAID mission in Albania and other important donor institutions in Albania participated in the Conference. The KASH stand on fiscal reform and an MOU with the Kosovo Agribusiness Alliance were approved.
- e) The World Bank invited the KASH Executive Director to present the KASH experience in influencing the government's poverty reduction strategy to a Conference for Eastern European and Euro-Asian countries in November. KASH was the only private agribusiness group invited to make a presentation.
- f) The final draft of Free Trade Agreement with FYROM included KASH recommendations.
- g) KASH recommendations on fiscal reform were presented in meetings with the Minister of Agriculture and Food, Parliamentary Commission for Agriculture and Food, and Parliamentary Commission for Economy and Financing during November and December.

KASH positions and the final results are shown in the following table:

	Issues for Discussion	<u>Business group interested</u>	<u>Agribusiness Association's Position</u>	Result
1.	Development of priorities for Albania	All KASH members	Agribusiness should be considered a priority for the economic development of Albania.	October 2001. In the Strategy for Poverty Reduction and Growth approved by Albanian Government, agribusiness is considered a priority field.
2.	Agro-processing of Albanian farmers products	BKFSH, LEA etc	The Albanian Government should take measures to increase the level of agro-processing.	October 2001. Increasing of the level of agro-processing of Albanian farmers products is an objective of the Strategy for Poverty Reduction and Growth approved by Albanian Government.
3	Commission on tax disputes	All KASH members	Membership of government and of the business community on the commission should be balanced.	December 2001. Article 2 of the law No. 8560 was changed, and the business community will be represented in a balanced way.
4	Interest on tax overpayments	All KASH members	Tax authorities should pay the interest.	December 2001. Article 39 of the law no. 8560 was modified so that it allows the payment of interest rates.
5.	Customs duties for edible oil and fish	AOA, AFPA	Customs duties for final product of edible oil and fish should not be changed.	December 2001. The Albanian Parliament accepted KASH recommendations and did not approve the Government's draft.

Achievements Contributing to Meeting Results Indicators

- b) ABMC was legally registered on April 18, 2001.
- c) KASH and ABMC membership packages were developed.
- d) Services provided to the members consist of: individual technical assistance (local and international), sites visits, trade mission, visa arrangements, proposals for other donor support, communications, marketing advice, introduction and facilitation with foreign companies, financial services support, training and technical publication, training in specific topics for common groups, business diversification, export promotion, networking, office services, English interpretation, agribusiness newsletter, new technology and machinery demonstrations, and sector assessments.
- e) Developed a Memorandum of Understanding for work with potential clients and to delineate the service capacities
- f) KASH and ten AOA Entrepreneurs visited PIRALISI in Italy (September 4-7)
- g) Organized KASH Regional Meetings (September and December)
- h) KASH National Conference with 150 participants, of whom 20 were government officials, 100 entrepreneurs, and 30 farmers. (October 24, 2001)
- i) Four KASH Council Meetings were organized (October-November).
- j) General Membership Meetings for nine associations were conducted in November.
- k) The ABMC deposit account was \$ **40,141** on December 31, 2001.

Contribution Calculation for July – December 2001

What	Contribution
Study tour	\$13, 800
KASH National Agribusiness Council regional meetings	\$ 8, 750
Association Board Meeting	\$ 6, 800
KASH National Conference	\$ 11, 150
Four KASH Board Meetings	\$ 6, 400
ABMC budget	\$ 40, 141
Total budget of seven associations	\$ 34, 161
Information and External Training	\$ 11, 800
Technical Assistance	\$ 69, 500
KASH Advocacy	\$ 9, 700
Newsletter Publication	\$ 2, 000
TOTAL	<hr/> \$ 214, 202

B. AGRIBUSINESS DEVELOPMENT

General Status

ADU assists Albania's private agro-enterprises to expand their production, increase profitability, and improve market orientation. The unit targeted more than 50 agribusiness firms engaged in the major agricultural industries, focusing on selected industry clusters in line with the AAATA Project approach for the future development of agribusiness in Albania. Based on analysis of comparative advantages of the country, ADU has selected focal cluster clients and begun the commercialization of technical assistance, in partnership with ABMC office. The number of agribusiness entrepreneurs seeking technical assistance from AAATA and ABMC is increasing, because of the Project's reputation and success in resolving problems and introducing innovative techniques.

Besides the common constraints facing transitional economies that are still inhibiting growth in the agriculture sector, Albanian firms and agro-industries are experiencing special problems arising from the shortage of electric power, expensive energy, and political instability. Agricultural producers, processors, and traders continues to lack the knowledge and access to information needed to make short-run tactical decisions on production and sales, and strategic decisions for long-term planning for investment, export, and new market development. Moreover, the trade environment is distorted because Albania's open borders, low tariffs, and lack of government support for agriculture are not reciprocated by many of its trading partners.

Despite the many and severe constraints, the Project is demonstrating that individual firms and key sub-sectors can progress now, and position themselves to take advantage of a more conducive business climate as it emerges.

Agribusiness Assistance Reorganization and Process Development

There are already positive results that the new AAATA strategy for the next phase is oriented in the right direction. The focus of assistance during the transitional phase of the past six months and for the future is based on four main sub-sectors and special opportunities:

- A. Fruit and Vegetable Production Sector
 - Competitive Field Crops
 - Greenhouse Industry
- B. Horticulture Processing and Food Industry
- C. Edible and Olive Oil Industry
- D. Poultry and Feed Sector
- E. Competitive Advantage Opportunities:
 - Medicinal Herbs and Spices (Including Cultivation and Processing),
 - Niche and Organic Products,
 - Fish Farming, Fishing and Processing Sector.

Summary of Objectives

- 1. Improve entrepreneurial skills and business planning**
- 2. Increase access to market information**
- 3. Upgrade technical abilities**
- 4. Promote diversification into new products/business**

Activities in Support of Objectives

1. Improve Entrepreneurial Skills and Business Planning

Focus: Provide counseling, training and technical support in key business activities such as improving business skills, facilitating technology procurement, conducting feasibility assessments and planning, and preparing financial proposals in collaboration with FCU and other units.

- a) ADU, supported by local and foreign experts, and in collaboration with FCU and ASPU, conducted individual counseling for more than 50 targeted SME's in improving business management, marketing management and assisting in the preparation of financial proposals for submission to identified financial entities. ADU provided training and technical assistance support in key business activities such as skills enhancement, identifying new business opportunities, equipment procurement, and feasibility assessments for individual firms and agri-industry sectors. Fifteen clients were introduced to the banks (ABA, Tirana Bank, and FEFAD) for future financing and revolving their former loans.
- b) Banks referred twelve new agribusiness ventures were referred to the ADU for technical assistance. All of them agreed to join the associations assisted by the AAATA Project.
- c) Eighty site visits (an average of 13 per month) were made to agro-SMEs in collaboration with other AAATA unit specialists, local STCs, researchers from public institutions, and bankers. These visits were aimed at providing technical assistance to the targeted clients, including on-the-job counseling for various business issues, reviewing firms' operations, technical know-how in specific problems, developing market-oriented business strategies, and financial advice on better cash-flow management, asset allocation, and future investment opportunities.
- d) ADU also provided training to association members through seminars and workshops, together with local and foreign STCs and specialists from Albanian Agriculture Research Institutes. Training programs were focused on: marketing; new product development; product diversification; new technologies and know-how; comparative advantages of open field and greenhouse crop production; improvement of quality, safety and standards of different products; and development of targeted industries such as olive oil, poultry, greenhouse and field crops, and unique commodities for export possibilities.
- e) The ADU director and other technical staff participated in regional meetings of KASH, giving suggestions for future development of all related industries.
- f) In collaboration with the FCU and STC, 9 business plans and three feasibility studies were prepared for individual clients.
- g) Two high-tech greenhouse firms have been assisted in the technologies of production and marketing of their products.
- h) ADU has prepared and published articles in the "Agrobiznesi" magazine providing information on management, success stories, industry and sector development.

- i) Nineteen individuals from the olive oil processing industry were given individual counseling on marketing strategies for the new production season.
- j) Project staff assisted ANSPA in preparing the marketing calendar of activities for all seed potato traders in order to better launch their products in the new planting season. A marketing plan was developed for the ANSPA Marketing Center in Fier. The focus of this plan was marketing strategies, product positioning, sales commission, sales record keeping, and competition analysis. ANSPA will use the template of this plan for other member traders.
- k) The German consultant supplied to the Project by CIM assisted the ANSPA Marketing Center in developing contracts with farmers. The integration of the potato commodity system, in which the project is working intensively, required such an activity. More than fifteen targeted growers were able to sign contracts for their produce.
- l) The Project assisted Adriatik Vegetables Producers' Association in the development of a marketing plan. A two-day workshop, in collaboration with GTZ, was organized for that purpose.
- m) An AFADA dealer was counseled in marketing and business plan preparation for the diversification of his business. A new strategy for penetrating intensive agricultural areas was recommended, and has produced good business results. The dealer has partnered with twelve others to create a unified products package that has enabled the group to introduce better prices for the farmers.
- n) The Hysgjokaj greenhouse producers group was assisted in the development of better business strategies. This group has more than 10% of the total greenhouse surface in Albania, and the project has worked intensively with them to enhance their business concepts and skills. The CIM consultant visited them every week. Membership is growing.

2. Increase Access to Market Information on Domestic and Overseas Opportunities

Focus: Provide market information on equipment prices and commodities, arrange for trade mission opportunities, organize local surveys and provide market and export information through trade fairs and direct contacts.

- a) The Internet was used to find world market prices for various agricultural commodities and inputs such as:
crude-sunflower oil; red peppers; potatoes and potatoes seed; yellow corn and soy mill for livestock feed; machinery and equipment for different industries; poultry broiler baby chicks; table olives; extra-virgin olive oil for export possibilities; frozen meat and chicken leg quarters; quality seed; and agricultural vehicles for project clients.
- b) Five clients received intensive training on Internet usage, while general Internet access has enabled agribusiness owners to procure a variety of products and equipment, technology and know-how.
- c) Equipment, raw materials and input suppliers were identified for clients and association members through visits and trade fairs in different countries. **Over \$500,000 in trade credits** was facilitated during this period.
- d) Marketing management techniques in product promotion, price changes, and better communication between producers and wholesalers/brokers resulted in improved cash flow for four companies in the processed vegetables and fruit and poultry industries.
- e) ADU assisted several clients in developing packaging lines and installing equipment to improve their product shelf life. The "EN&ZY" fruit and vegetable-processing firm received assistance in

installing a multi-purpose packaging line and in training of employees on equipment operation. ADU also provide advice for DRIZA on its poultry slaughterhouse and new packaging line.

- f) The EN&ZY Company and four olive oil processors were trained in obtaining Kosher certification and finding export markets.
- g) Two trade missions were organized to Greece and Turkey for contacting quality suppliers. Training support in equipment usage was also provided. The project agribusiness advisor visited "ANUGA" an International Trade Fair in Germany, looking for new technology and products to be introduced in Albania.
- h) The advisor worked closely with a food processing company in Elbasan in order to obtain FDA approval for possible export of his products to the USA.
- i) Several consultancies on marketing, product diversification and positioning, and market analysis have been provided to clients in the four main industries through field trips and other contacts.

3. Upgrade Technical Abilities through Training and Advising, including Publications and Short Term Consultants

Focus: Provide technical assistance and training to individual firms to increase their efficiency.

- a) Four clients were supported with technical assistance, specifically in equipment identification, procurement and installation; new plant construction; enhanced operations; and product diversification. **Total client investment in equipment, building construction and new operations for the period totaled \$ 5,020,000.**
- b) The project helped "EN&ZY" in the purchase, installation, and training for a new roasted pepper line.
- c) Three clients were assisted for filling lines for jars and cans, engineering for tomato paste aseptic, techniques on irrigation systems and fertigation, and installing a slaughter house.
- d) Together with FRI, new recipes for jam and confiture were experimented and tested.
- e) "Euro-Fish", a fish processing plant, was helped to develop canned products for export.
- f) During August, a New Zealand STC expert with four years experience in Albania worked on GMP/HACCP (Good Manufacturing Practices/ Hazard Analysis Critical Control Point) implementation. The targeted businesses were two AMPA meat-processing factories.
- g) The PSES Unit in collaboration with ADU has introduced more new technological improvements for greenhouse and open field vegetable growing. The PSES section of the report has more information.

4. Promote diversification into New Products/Businesses and into Foreign Markets

Focus: To facilitate processing firms in developing new product lines and new domestic and foreign markets, assist companies in business diversification, and joint ventures possibilities.

- a) Specific technical support was provided for five clients on a one-to-one basis to develop know-how in ways to improve yields and quality processing output.
- b) Project efforts to establish contacts with agricultural enterprises in the Balkans, EU and non-EU countries were very successful during the period. Contacts were made possible through

attendance at trade fairs and foreign commercial attaches. Dried figs, fresh herbs, fresh tomatoes and cucumbers, roasted peppers, fruit compotes, tomatoes paste and ketchup, canned and pickles vegetables, are the main products made in Albania that are promoted for export by ADU.

- c) To promote foreign investments in Albania, ADU has prepared several promotional kits for specific investments such as greenhouses and poultry industries, and introduced them in industry-related seminars, KASH regional meetings, and general meetings of specific associations.
- d) Project staff helped "DRIZA" Company, a broiler meat production firm, to produce turkey for the local market. **As result, 8 000 turkeys, equal to 40 MT of meat, were sold.** The experiment went extremely well thanks also to collaboration of FRI and VRI experts. The helped the client to successfully market the product during the holiday season.
- e) Export opportunities for fish farming and special field crops are being explored. Project staff has worked very closely with the Adriatik vegetables producers association to explore export of fresh vegetables to Germany and Greece.
- f) A feasibility study was prepared for producing fishmeal for livestock feed in the Lezha area, based on fish residue from the fish industry.
- g) A German expert from GTZ and AAATA project units helped the "ALGREC" plant to coordinate and develop a feasibility study for producing local raspberries for the first time in Albania.
- h) In collaboration with the ISU, several meetings with government representatives were conducted, focusing on custom codes and import tariffs reform connected with the importation of raw materials and other processing-related commodities.
- i) Over 200 MT of new potato seed have been introduced successfully in the market. The same company plans to import 600 MT for the next planting season and to produce potato seed locally.
- j) More than 160 varieties of vegetables have been tested by PSES for open field production.
- k) A greenhouse nursery was assisted in the introduction of seedlings for the Albanian greenhouse industry. This is an investment of a successful AFADA dealer.

Achievements Contributing to Meeting 2001 Result Indicators

1. ADU provided 15 priority clients with intensive business services, and 45 potential cluster clients from association members with general business training and services. The ADU has facilitated \$900,000 in client self-investment and \$450,000 in trade credit to clients. These figures by far have exceeded the commitment of ADU in the workplan.
2. The unit has conducted 80 site visits (average 13 visits/month instead of 10 visits/month as planned) and three workshops.
3. In conjunction with the ISU and ASPU, the ADU team has conducted five training seminars, two industry sub-sector analyses, and two trade missions to Greece and Turkey.
4. ADU assisted four AAATA clients in diversifying into new product lines, and four clients in enhancing and enlarging their existing businesses.
5. The team analyzed the business and production performance of 50 targeted companies, of which 10 have doubled their production and turnover during the project - one in edible oil; three in poultry; two in fruit and vegetable processing industry; four in olive oil.

6. For the first time in Albania, four new products have been introduced: cherry tomatoes, roasted peppers, turkey meat, and extra virgin olive oil.
7. Marketing plans were prepared for three clients in poultry, vegetable, and potato production.
8. Fifteen contract potato grower agreements have been signed, and progress made in integrating the potato industry.

Contribution Calculation for July – December 2001

What	Contribution
1. Site visits to clients 80 X \$ 100	\$ 8, 000
2. Trade mission, 4 people x 5 days	\$ 4, 000
3. New capital investment by Clients	\$5 ,020, 000
4. Supplier Trade Credits	\$ 500, 000
TOTAL	\$5, 532, 000

NEW INVESTMENTS MADE BY AAATA CLIENTS FROM JUNE - DECEMBER 2001

A. DAIRY PROCESSING SECTOR.

Company Name	Owner's Name	Location	Investment Value	Purpose
DELTATON	Edmond Gjata	Gorre	\$50,000	Equipment for packaging and producing yougurt
SubTotal			\$50,000	

B. MEAT PROCESSING

Company Name	Owner's Name	Location	Investment Value	Purpose
APOLLON	Sokol Meqemeja	Tirane	\$200,000	Increasing storage capacity and new equipment for processing.
SubTotal			\$200,000	

C. HORTICULTURE & FRUIT AND VEGETABLES PROCESSING SECTOR

Company Name	Owner's Name	Location	Investment Value	Purpose
EN & ZY	Enver Ferizaj	Kavaje	\$30,000	Equipment for roasted peppers and packaging
SHPIRAGU	Kristaq Gallani	Berat	\$20,000	Building and Equipment
SubTotal			\$50,000	

D. OLIVE & EDIBLE OIL

Company Name	Owner's Name	Location	Investment Value	Purpose
VAJRA BIMORE	Bajram Dine	Fier	\$600,000	New Refinery
SubTotal			\$600,000	

E. FLOUR MILLING

Company Name	Owner's Name	Location	Investment Value	Purpose
AGROINVEST	Fuad Haxhiymeri	Tirane	\$4,000,000	New Factory & New Storage Capacity, Siloses.
SubTotal			\$4,000,000	

F. AFADA DEALERS

Company Name	Owner's Name	Location	Investment Value	Purpose
FERTILA	Shpetim Mancaku	Tirana	\$120,000	Construction of Rural Collection Points
SubTotal			\$120,000	

TOTAL OF INVESTMENTS:(June-December, 2001) = \$ 5,020,000

TRADE CREDITS FOR THE PERIOD June - December 2001**A. MEAT PROCESSING**

Company Name	Owner's Name	Location	Trade Value	Purpose
ARMET	Arben Thomai	Tirane	\$200,000	Importing Chicken leg quarters from US
SubTotal			\$200,000	

B. POULTRY FARMERS

Company Name	Owner's Name	Location	Trade Value	Purpose
DRIZA	Hiqmet Driza	Fier	\$250,000	Chicken feed and baby chicks from Greece
SubTotal			\$250,000	

C. SEED POTATOES GROWERS

Company Name	Owner's Name	Location	Trade Value	Purpose
ANSPA MC	Myfit Islami	Fier	\$30,000	Importing potatoes seed from Germany.
ADRIATIK	Agim Janku	Divjake	\$20,000	Importing potatoes seed from Germany.
SubTotal			\$50,000	

TOTAL TRADE CREDITS FOR 2nd half 2001 = \$ 500,000

C. FINANCE AND CREDIT

General Status

During the second half of 2001, the commercial banks in Albania continued gradually to reduce lending rates (mainly those given in hard currencies), reflecting the macro-economic stability of the Albanian economy. Although the macro-economic environment remains stable, banks are still reluctant to loan to most enterprises, because of a continued difficult business climate and the political uncertainty in the wake of the parliamentary elections of last June.

Exacerbating the situation is a crisis in electric power generation that is hampering business operations, reducing output, and adding to production costs. Power outages and interruptions on a daily basis, often for more than eight hours, characterized the second half of the year, causing serious problems to the whole economy.

AAATA/FCU continued to assist targeted entrepreneurs, providing financial-related services, and facilitating contact relations with private banks. Fefad Bank is becoming more willing to consider loans to agribusiness. The bank is expressing willingness to finance activities in the olive oil sector and other intensive farming activities of clients of the project. ABA continues to demonstrate interest and is refinancing on a regular basis a group of companies introduced by the project during the first two years.

Summary of Objectives

- 1. Identify sources of capital and commercial credit and ways to gain access to them.**
- 2. Provide critical services on a billable basis to interested target entrepreneurs that help satisfy financial institutions and potential investors.**
- 3. Assist bank personnel in understanding changes in the Albanian agribusiness environment.**
- 4. Improve the terms and conditions for commercial borrowing by agribusiness clients**

Activities Performed In Support Of Objectives

- 1. Identify sources of capital and commercial credit and ways to gain access to them.**
 - a) Meetings with commercial banks have continued on a regular basis. Project staff provided updates on AAATA efforts in the greenhouse and olive oil industries.
 - b) The FCU maintained good relations with the American Bank of Albania, the primary source of financing for AAATA clients.
 - c) During the period, three ABA loans have been disbursed and two other credit requests are under consideration.
 - d) Two projects for possible equity financing worth \$200,000 have been presented to AREF (Albanian Reconstruction Equity Fund), and decisions are expected during the first quarter of 2002.
- 2. Provide critical services on a billable basis to interested target entrepreneurs that help satisfy financial institutions and potential investors.**

- a) Together with ADU, the staff made 22 site visits to target clients, providing financial advice, management consulting, business diversification, assistance in business plans and preparation of credit requests when needed. The project specialist prepared four business plans for clients seeking institutional loans, and nine other plans for business diversification in agro-processing equipment supported from a Japanese grant project.
- b) Monitoring of credit given to entrepreneurs through FCU mediation continued on regular basis, and information/reports on current business performance and cash flow situations were submitted to ABA. To date, only \$20,000 (0.6 % of total loans given with AAATA recommendations) is in arrears.

3. Assist bank personnel in understanding changes in the Albanian agribusiness environment.

- a) Bankers and other potential foreign investors have participated in different AAATA events and have been introduced to ABMC and KASH.
- b) A three-year IFDC/AAATA Project credit and finance summary has been developed and presented to six commercial banks in order to entice them with the recent solid history in agribusiness lending.

4. Improve the terms and conditions for commercial borrowing by agribusiness clients.

- a) FCU participated in regional association meetings to inform clients of current bank lending policies and future perspectives.
- b) FCU continued mediation between ABA and AAATA clients on terms and conditions for medium term loans needed to support agribusiness. Bank lines of credit have been successfully introduced for our clients, enabling them to avoid seasonal cash-flow problems.

Achievements Contributing To Meeting Results Indicators

During the second half of 2001 an additional 3 loans worth \$380,000 were approved and disbursed from ABA to AAATA clients involved in fruit & vegetable processing and poultry farm. To date AAATA/FCU has been able to help mobilize over \$3.2 million from the private banks, primarily the American Bank of Albania.

List of business that took loans during 2-nd half 2001

Activities	District	Banks	When	Amount	Purpose
1. Fruit&veget. Proces.	Lushnja	ABA	July	\$80,000	Working capital
2. Fruit&veget. Proces	Kavaja	ABA	July	\$100,000	Working capital
3. Poultry Farm	Diber	ABA	July	\$200,000	Working capital

TOTAL: \$ 380,000

Contributions Calculations for July – December 2001

What	Obj.	Who	Where	Contribution
Site visits to clients (22)	C.2.a	FCU	Business area	\$ 2,200
Business plans (15)	C.2.e	FCU	Tirana	\$ 1,500
ABA disbursed loans (3)	C.2.b	FCU	Tirana	\$ 380,000
TOTAL				\$ 383,700

D. INSTITUTION SUPPORT

General Status

In order to improve food quality and safety standards and increase the competitiveness of Albanian agribusiness, the project has been working with two government institutes that can play a key role – FRI and VRI. Over the past three years the project has provided FRI and VRI with laboratory equipment, audio-visual equipment, and training (valued at over \$110,000). The USAID funds were aimed at upgrading the testing, analysis, and know-how of the institutes so that association members can benefit from high standard services for the improvement of the quality and safety of their products. During this half year, the project supported the training of more than 400 researchers, industry specialists and association members in related topics.

It is noteworthy in this regard that IFDC helped organize the first International Conference ‘On Food Quality and Safety’ during the reporting period. Both institutes, in collaboration with the AAATA Project, have conducted more analysis for trade association members, primarily for AMPA and AOA.

Extension service activities have been focused on open field vegetables, greenhouses and olive oil processing. These are the three of the clusters where the project will focus during the coming two years. Open field days, crop demonstrations, seminars and workshops have been organized with the members of associations. These activities have resulted in the training of more than 100 association members, testing of 160 vegetable varieties, attendance by 190 participants in field demonstrations, and the introduction of some cost effective new technologies.

Comparative advantage studies on open field and greenhouse vegetable production during the period serve not only HABA members, but also the MOAF and government agencies so they can better understand the competitive opportunities for Albanian agriculture and the policies needed to exploit the potential. The information has been disseminated through seminars to more than 100 participants.

D. 1. FRI and VRI SUPPORT

Summary of Objectives

- 1. Improve output and service to agribusiness growth.**
- 2. Program liaison with government agricultural agencies and donors.**

Activities Performed in Support of Objectives

1. Improve output and service to agribusiness growth

Focus: AAATA will systematically work to introduce its clients to FRI and VRI analytical capabilities and regulatory responsibilities, as well as their role as reference centers for food control and analysis. AAATA will also work, including through the media, to increase the awareness of the Albanian agribusiness community regarding the two research institutes. Association clients will be trained through various seminars and publications concerning food quality control and safety.

- a) A seminar on “Olive harvesting, olive oil processing and campaign” was organized in Vlora in mid-September. It was conducted by well known olive oil expert, Dr. Kiritsakis, and an extension expert, Dr. Androulidakis (both from Greece) in collaboration with four FRI researchers. Fifty-four people participated, including AOA members, AAATA agribusiness specialists, foodstuff inspectors from the agricultural directorate of Vlora region, researchers from the Arboriculture

Institute of Vlore and the Plant Protection Institute of Durres, pedagogues from the Agricultural University of Tirana, and the media. Olive oil samples were taken from members of AOA, and analyzed at the FRI. The seminar discussed key concerns of the Albanian olive oil industry, such as olive picking, storing, harvesting, post harvesting and processing.

- b) During November, APFA conducted a workshop on the “Poultry Industry Situation and the Role of Self Control Labs” in collaboration with a VRI researcher. There were 34 participants including members of the association (APFA), VRI and LRI researchers, General Directory of Standards and Quality experts, AAATA agribusiness specialists, vet inspectors of the agricultural directorate of Durres, and media. The seminar was held at “Floryhen” business facilities in Durres. It pointed out the achievements and obstacles of the poultry industry in Albania, and discussed the poultry health status and the vaccination schemes applied in the existing poultry units. The experience of the Italian partner of the “Floryhen” joint-venture business on EU egg standards was of great interest. A study visit was made to the self check-up laboratory of “Floryhen”, which is the only one of its kind in Albania.
- c) VRI continued TV talk programs on a private TV station (BBF). These programs included issues on food quality and safety from the consumer’s viewpoint. TV spots on VRI were prepared and broadcast by this TV station during the talk programs.
- d) A book on "Foodstuffs Quality and Safety" was produced during September. It summarizes research papers of the International Conference on “Food Quality and Safety”. The book was conceptualized in two parts. Part I was published in Greece, thanks to the contribution of Technological Educational Institute of Thessaloniki (TEI), which was also one of the biggest sponsors of the conference. Part II was published with the support of VRI. These publications will be made available to specialists in food research institutions, food inspectors and technologists.
- e) Specialists from VRI, FRI and the Experts’ Council for the project attended regional and national meetings of KASH. This interaction promotes better understanding of the problems in the agro-industry sector, and helps the research institutes to orient their work more towards these issues.
- f) For the first time, two Israeli experts conducted three “On-the-spot-Courses” on “Vegetable Growing in Greenhouses” during November in Tirana, Fier, and Saranda. There were questions about tomato/cucumber cultivars suitable for Albanian climate condition, appropriate covering materials for greenhouses in Albania, drip irrigation systems, greenhouse automation etc. Site visits were made to the two Israeli greenhouses already established in Albania.
- g) During August, a New Zealand STC expert with four years previous experience in Albania, worked on GMP/HACCP (Good Manufacturing Practices/ Hazard Analysis Critical Control Point) implementation. The targeted businesses were two meat- processing factories.
- h) During December, a New Zealand STC expert conducted a two-day training seminar on GMP/HACCP. GMP is a major issue of the Albanian food industry, as the law “On Food Quality and Safety” is not presently implemented. Moreover, veterinary, food quality control and public health inspection is barely operating. Twelve FRI and VRI researchers, AUT pedagogues, Land O’Lakes and IFDC/AAATA specialists participated. The purpose was to train FRI and VRI experts who will then train the agro-processing clients of the company.
- i) Draft standards in conformity with those of the United Nation Economic Commission for Europe have been prepared for the APFA association. In December the General Directory of Standards approved the five standards, the first in the agriculture sector that are in conformity with international ones.

2. Program liaison with government agricultural agencies and donors.

Focus: To foster better coordination among projects and international donors working with agricultural associations.

The AAATA Project participated in donor coordination meetings with GTZ, LOL, the World Bank, and Dutch projects. Among the activities in this objective were:

- (a) The first International Conference on “Food Quality and Safety” was held September 21-22 at the Tirana International Hotel. It was organized under the auspices of the MOAF by the Veterinary Research Institute, Food Research Institute, and Institute of Public Health. Cooperation and support were provided by the USAID funded IFDC Land O’Lakes projects, GTZ, and the Technological Education Institute in Greece. The Conference was also sponsored by Albanian and foreign businesses, such as INSIG, SOROS, HIT, Floryhen, AM-Group, EHW GmbH, EN-ZY, AJKA, JAL, BLOJA, Meat-Master, Delta S.A (Greece), Hellenic Catering (Greece), Tsantalis (Greece).

More than 200 specialists, researchers and entrepreneurs participated in the International Conference on “Food Quality and Safety” representing: Albanian research and educational Institutions, Ministry of Food and Agriculture at the local and national level (veterinary and food quality control inspectors from 12 prefectures), Ministry of Health at local and national level (primary health care inspectors from 12 prefectures), Private businesses (meat processing industry, milk production & processing, egg production, fruit and vegetable processing, edible oil processing, milling industry etc.), Foreign donors operating in Albania like USAID, GTZ, EU, World Bank, Italian and Greek companies/individuals, and researchers from nearby countries.

The scientific papers presented in both sections focused directly on the major concerns of the foodstuffs industry. They generated a lot of discussions and proposals regarding the improvements of this industry, which are summarized and grouped according to the topics of discussions (see **Annex 1**).

- (b) During September, a meeting of the Project’s Experts Council was held to discuss converting from a Council to an Experts Foundation, which will serve as a think tank for ABMC and KASH. Expert Council members agreed to act as founders and started preliminary discussions on the statutes. The Foundation Mission is to undertake scientific and economic studies leading to the creation of timely and needed insights and information. This information will be transferred to government agricultural-related institutions, donors (and their projects), and agribusiness to aid decisions in resource allocation in order to achieve a more competitive Albanian agriculture.
- (c) An “Agricultural Policy Forum” was organized by GTZ, DSE-ZEL (Deutsche Stiftung für Internationale Entwicklung) and IAMO (Institute of Agricultural Development in Central and Eastern Europe) in Leipzig on December 2-3, 2001. The 58 participants represented seven Stability Pact countries of South Eastern Europe. Three came from Albania - the Director of APO at MOAF, an expert from Ministry of Economic Cooperation and Trade, and the manager of the Project’s ISU.

The conference discussed formulation of regionally differentiated and efficient policies and strategies for sustainable rural and agricultural development, concepts for the support of regional cooperation, and ways to harmonize national agricultural policies in the region with respect to the EU-CAP (Common Agricultural Policy). The conference provide a platform to foster policy options for structural change in agriculture and development of rural areas directed at regional co-operation between the countries and their integration towards the European Union.

Achievements Contributing to Meeting Results Indicators

1. For the first time in Albania, an International Conference on “Food Quality and Safety” took place, with 200 participants. With USAID funds, the AAATA Project coordinated and provided fifty percent of the cost of the conference. There was excellent media coverage and participation of senior governmental officials.

2. Ninety AOA and APFA members trained in food safety, quality control and adulteration.
3. The Agricultural Experts Advisory Council met.
4. “On-the-spot-Courses” on “Vegetable Growing in Greenhouses”, organized for the first time by the project, trained more than 60 people.
5. Five standards in conformity with the United Nation and Economic Commission for Europe have been approved by the General Directory of Standards.
6. Fourteen meat-processing private sector and researchers were trained in GMP/HACCP.
7. Several TV talk programs increased consumer awareness of food quality and safety.

Contribution Calculations for January-June 2001

What	Obj.	Who	Where	Contribution \$
1. Workshop with AOA	1.a	ISU	Tirana	\$ 500
2. Workshop with APFA	1.b	ISU	Tirana	\$ 450
3. Participation in KASH meetings	1.e	ISU	Tirana	\$ 850
4. Participation “ On the spot Courses”	1.f	ISU	Tirana	\$ 1,200
5. Participation in GMP/HACCP Seminar	2.a	ISU	Tirana	\$ 600
6. International Conference on Food Quality and Safety	2.b	ISU	Tirana	\$ 12,000
7. One Expert Council Meeting	2.c	ISU	Tirana	\$ 650
8. Draft Standard Counseling	1.c	ISU	Tirana	\$ 1,000
TOTAL				\$ 17,250

D.2. PRIVATE SECTOR EXTENSION SERVICE

General Status

During the second half of 2001, the PSES Unit focused on developing and strengthening the role of the extension service in the context of the re-orientation of project activity toward industry cluster and commodity value chain development. The main directions during this period have been:

- Support of associations and individual member entrepreneurs with technical information packages of critical and new agricultural practices and technologies;
- Establishment of demonstration fields for different crops, practices and inputs, and organization of Field Days;
- Support to associations for training their membership in extension practices; and
- Assistance to three targeted entrepreneurs in advanced technology greenhouse vegetable production.

Summary of Objectives

- 1. Development and consolidation of Private Sector Extension Services.**
- 2. Establishment of Demonstration Fields and On - Farm trials and Organization of Field Days and Demonstrations.**
- 3. Dissemination of technical information packages through publications.**
- 4. Direct Technical Assistance to three targeted clients - greenhouse growers.**

Activities in Support of Objectives

1. Development and consolidation of Private Extension Service.

- a) Continued the collaboration with PPI/Durres. Support was provided by a part-time LSTC (expert for pest and disease control) in Israeli & Greek greenhouses, related to plant protection, watering and nutritional aspects of crop production.
- b) Continued “*on-the-job*” training of three PSES technical staff and three owners of greenhouses on management Issues (cropping pattern, fertigation, pest and disease control, climate control).
- c) Organized a two-day seminar in Vlora in September on Extension Service Methodology, focusing on theoretical and practical issues in increasing the quality of olive oil. Among forty participants, fifty percent were AOA members, mainly processors, and the rest included scientists, and specialists from FRI/Tirana, ARI/Vlora, AUT/Tirana, IFDC/AAATA technical staff and STC Prof. S. Androurlidakis and Prof. A. Kiritsakis. .
- d) In collaboration with HABA and other projects units, PSES supported participation in courses on “Greenhouse Technology & Vegetable Production, in Tirana, Fier and Saranda in November.
- f) A survey on “AFADA Effectiveness” was carried out in order to evaluate the impact of AFADA members’ training during 1998-1999 with regard to extension methodologies. Such training empowers them to transfer to farmers new products and appropriate packages of practices.

Specific objectives of this study were as follows:

- Compare the information sources of two different groups of farmers.
- Determine if the information was used to improve practices on farms.

Eleven areas were selected representing about 80% of AFADA member activities. AFADA dealers in those areas were asked to provide lists of their customer-farmers. Farmers in similar conditions who were not AFADA customers served as the control group.

A questionnaire was given to a representative sample (437) of the above population. The survey found that the IFDC training had contributed to changes in farming practices. The results suggest that IFDC should continue to provide extension training to other associations in the project.

Results of this survey were presented in a paper “PRIVATE EXTENSION IN ALBANIA. THE CASE OF ALBANIAN FERTILIZER AND AGRI-BUSINESS DEALERS ASSOCIATION: IMPACT STUDY” at the 15th European Seminar on Extension Education. Some of the results are:

- Half of the farmers in the sample reported increased production.
- AFADA clients obtained information on inputs mainly from AFADA dealers (on seeds – 75.3%; on fertilizers – 92.3%; and, on CPCs – 83.5%). A high percentage who were not identified as AFADA customers also used AFADA dealers as a source of information (on seeds – 40.4%; on fertilizers – 48.3%; and, on CPCs – 42.1%).
- About 90% of the AFADA clients responded positively to the question that the advice provided to them had resulted in an increase of their farm production.

2. Establishment of Demonstration Fields and On-Farm trials and Organization of the Field Days and Demonstrations.

Demonstrations

- a) Demonstrations in Durres and Lushnja at the greenhouse TTCs introduced:
 - A short cycle intermediary summer crop (cucumber);
 - Solarization, the new environmentally friendly method for disinfecting soil against soil-transmitted pest and diseases, instead of classical methods using pesticides;
 - New types of tomato (cherry & cocktail type varieties);
 - The best timing for tomato planting to reach maximum of performance in tomato production for a year-round production cycle.
- b) A demonstration field for open field crops in the Divjaka TTC for fall season crops aimed to:
 - Test and select the best varieties for the main fall crops (cabbages, cauliflower);
 - Introduce new fall season crops (broccoli, red cabbage).
- c) An on-farm trial in a small plastic greenhouse for protected crops/indoor production in Divjaka, for the second production cycle (summer - autumn), tested the best varieties for tomato cultivation in solar plastic greenhouses.
- d) An on-farm trial in a intermediary technology greenhouse (Dutch type) in Fushe Kruja, focussed on:
 - Prolonging the harvesting season in pepper production (all year round production cycle);
 - First steps in new technology elements, such as drip irrigation, and preparing for the next and final step – fertigation in a whole greenhouse.

Field Days & Field Demonstrations

- a) A Field Day organized in Divjaka TTC in collaboration with ANSPA, “ADRIATIK” regional growers association, and the Lushnja regional GTZ Project, presented the performance for 17

varieties of potato, 20 varieties of watermelon, 15 varieties of melon, and of mulching and low tunnel techniques in watermelon.

- b) Two Field Days supported by ANSPA and the Lushnja regional GTZ Project presented the quantitative and qualitative results of potato varieties tested in the Frakulla demonstration field. Forty-five participants were present the first day and 50 in the second day.
- c) Field Day in Lushnja district (in three different places), in collaboration with and supporting HABA membership/entrepreneurs in greenhouse production, demonstrated:
 - advantages of simple structural improvements and use of drip irrigation in intermediary technology level greenhouses (Krutje Dutch type);
 - technical and compared advantages to other existing greenhouses types (Dutch versus Israeli greenhouse);
 - newly introduced cherry & cocktail tomato varieties (Dutch and Israeli greenhouses);
 - results of performance tests of 16 tomato varieties cultivated as a second crop (Divjaka, simple plastic greenhouse);
 - short theoretical and practical explanations and advice on recent and forecasted phytosanitary situation in greenhouses, and its management (in all three visited greenhouses);
 - presentation and introduction of the new rapid soil test analysis, climate parameters (radiation, temperature, humidity, etc.).
- d) Field Day and Demonstration of new agricultural machinery, in collaboration with AVALB, organized in Gjirokastra and with participation from the neighboring districts (Tepelena, Delvina, Saranda,)
- e) Field Day in Divjaka TTC combined with the two-days seminar, organized in collaboration with GTZ/DSE, GTZ Project on Marketing for producers groups. PSES presented the results of performance for 33 varieties of cabbage, 49 varieties of cauliflower, 2 varieties of broccoli, and 4 varieties of red cabbage.
- f) Support of the AOA for a field demonstration of Quick Pick Harvester (in Piqeras and Shen Vasil-Saranda district) and participation in quality analysis/tests of olive oil produced during the season.

3. Dissemination of technical information packages through publications.

- a) Leaflets:
 - Reprinting and distribution of the leaflet for new harvesting techniques in olives: “Use of Quick-Pick Harvester in Olive trees”.
 - Reprinting and distribution of the leaflet: “Agricultural Practices in Olive production”.
- b) Other publications:
 - Manual for: “Israeli High Tech Greenhouse: Control Systems Description and Operating Principles”. (limited distribution to the Israeli greenhouses owners only);
 - Manual for: “Israeli High Tech Greenhouse: Operations in Greenhouse and its Systems Maintenance”. (limited distribution to the Israeli greenhouses owners only);
 - Technical book on pest & disease management in greenhouse crops: “ Main pests and diseases in greenhouse Tomato & Cucumber cultivation”. (about 280 pp., illustrated, ready for printing).

- Brochure on: “Instructions on Bumble Bees Use in Modern Greenhouses” (about 20 pp., illustrated, ready for printing).

4. Direct Technical Assistance to three targeted clients - greenhouse growers.

The regular TA provided for the entrepreneurs by project staff was supported by monthly visits by an Israeli expert. The three assisted clients are: Fatmir Kallbaqi in Shkozë/Durrës, Irakli Kola & Mydeir Sokollari in Krutje/Lushnjë, and Liljana Goxhaj in Kamez/Tirana.

Achievements Contributing to Meeting Results Indicators

1. Five demonstrations on various levels of technology of production (greenhouse and field)
2. Two-day seminar on Extension Service Methodology
3. Eight Field Days and Demonstrations for various crops
4. Two leaflets and four manuals and textbooks produced, on greenhouses and other
5. Three targeted clients fully assisted and with successful results
6. Three staff “on-the-job” training successfully accomplished
7. Test of 160 new crop varieties
8. Four hundred thirty participants in Field Days and Demonstrations
9. One hundred participants in training seminars on extension
10. Survey on AFADA extension service effectiveness

Contributions Calculations for July – December 2001

What	Contribution
1. Seminar with AOA	\$ 1, 000
2. Field Day & Demonstration in Gjirokastra	\$ 800
3. Field Day & Demonstration in Divjaka	\$ 400
4. Divjaka TTC (Autumn-Fall Winter Veg.)	\$ 1, 500
5. DSE/GTZ Training	\$ 10, 000
TOTAL	\$ 13, 700

D.3. COMPETITIVE ADVANTAGES ANALYSIS

A seminar was conducted in July on “Comparative advantages, investment effectiveness and production in Albanian greenhouses”, by the Competitive Advantages Analysis Unit (CAU). There were fifty-two participants, including representatives of the Ministry of Food and Agriculture, the Ministry of Economic Collaboration and Trade, the Ministry of Finance, Universities, NGO-s, and HABA members. In the seminar, the Project introduced, for the first time in Albania, the Policy Analysis Matrix framework as a tool to assess competitiveness and the degree of policy distortions such as tariffs and subsidies. Conclusions derived from these assessments can be applied at both the macro and micro economic levels. Moreover, the built-in analysis of financial profitability is of direct interest to individual farmers and HABA members.

During July-September, the CAU prepared a survey on “Cultivation of Vegetables in Lushnja and Fier Districts”, including analyses integrating the size of agricultural farms, the structure of the planted vegetables, the yield, production, sales and farmers opinions. The survey was based on interviews with 1000 farmers. The results of the survey will be useful in the two next years for the project in general and especially for HABA members.

During September a seminar on the comparative advantages, investment effectiveness and production in Albanian greenhouses was conducted for 39 agribusiness specialists and farmers in Shkodra district. During November and December, preparatory work was done for a survey on the situation and potential of the olive oil processing industry in Albania.

Achievements Contributing to Meeting Results Indicators

1. Introduction for the first time in Albania of the Policy Analysis Matrix framework, as a tool to assess competitiveness and the degree of policy distortions. Results were shared with more than 100 participants in two seminars. Among the group trained were representatives from the government, donor community and private sector. The framework can be replicated for other cluster industries.
2. The results of the survey on “Cultivation of Vegetables in Lushnja and Fier Districts” will be useful in the next years for sector related specialists and private growers in making better decisions on sector development and production.

Contributions Calculations for July – December 2001

What	Obj.	Who	Where	Contrib. \$
1. Seminar on “Comparative advantages, investment effectiveness and production in Albanian greenhouses”	D.3.a	CAU	Tirana	\$ 2,100
2. Seminar on “Comparative advantages, investment effectiveness and production in Albanian greenhouses”	D.3.c		Shkoder	\$ 1,250
TOTAL				\$ 3,350

E. MEDIA DEVELOPMENT AND SUPPORT

General Status

During the second half of 2001, the Media Unit ensured full-media coverage for the major activities performed by different units within the project, including KASH and ABMC activities and meetings, KASH advocacy issues, various association workshops and seminars, technology promotion strategies and campaigns. It also worked intensively with several agribusiness clients to assist in their promotional business activities.

Due to continuous assessment of the best sources for information dissemination and the excellent network with the media in Albania, the Unit was able to cover all the activities in a cost-effective way. Using a combination of good business leveraging and tactics, the Project has been able to generate free coverage of activities. For example, during this period the project placed 1400 broadcasts and announcements for a fraction of the market cost and was able to obtain coverage of many regional activities for free.

Association members are now more aware of the benefits of media coverage and have contributed to the cost sharing in the production of promotional campaigns. An example is the recent activity of AOA addressed to the farmers during the recent olive harvesting season.

Summary of Objectives

- 1. Establish positive image of quality Albanian client business and products.**
- 2. Promote image of agribusiness associations, agribusiness clients and associations' members as progressive forces in the development of agribusiness sector.**
- 3. Establish positive image of Albanian Agribusiness Council (KASH) and advocacy issues.**
- 4. Provide necessary information to consumers and clients on food quality and safety.**
- 5. Inform decision-makers and the public on agribusiness policy and regulatory issues.**
- 6. Develop regional media's agribusiness awareness and stimulate agribusiness-related programs.**

Actions in Support of Objectives

1. Establish a positive image of quality Albanian client business and products.

- a) Published two quarterly "Agrobiznesi" newsletters.
- b) Assisted in the promotion of the ceremony of the inauguration of a new high tech greenhouse for samples and plants in Vora, an initiative of one progressive AFADA dealer. Ensured the participation of journalists from public, private and local TV Stations, Radio Stations, newspapers and Albanian Telegraphic Agency.
- c) Published a series on the growth and development of agribusiness, providing statistics from the business growth of association members.
- d) Presented infomercials, interviews and articles in different media sources about problems related to agriculture and achievements in different sectors.
- e) Developed promotional strategies for clients and helped them in implementation. This has resulted in the production and formulation of several labels and tag-lines. Also assisted individual clients in organizing regional promotional strategies.

2. Promote the image of agribusiness associations, agribusiness clients and associations' members as progressive forces in the development of agribusiness sector.

- a) Publication of two "Agrobiznesi" newsletters.
- b) Provided media coverage for workshops organized by AOA, AMPA, APFA. Ensured the participation of journalists from public, private and local TV stations, radio stations, newspapers and the Albanian Telegraphic Agency.

3. Establish positive image of Albanian Agribusiness Council (KASH) and advocacy issues.

- a) Media campaign organized in 4 main regions promoting KASH and the agribusiness associations.
 - 108 broadcasts in Shkodra TV in November of TV Spots of KASH and associations.
 - 108 broadcasts in Shkodra TV in December of TV Spots of KASH and associations.
 - 54 broadcasts in Korca TV in November of TV Spots of KASH and associations.
 - 54 broadcasts in Korca TV in December of TV Spots of KASH and associations.
 - 108 broadcasts in KombiTV (Fier) in November of TV Spots of KASH and associations.
 - 108 broadcasts in Kombi TV (Fieri) in December 9 TV Spots of KASH and associations.
 - 432 announcements in "Saranda" Radio in December of 9 Radio Spots of KASH and associations
 - 432 announcements in "Butrinti" Radio in December of 9 Radio Spots of KASH and associations
 - 10 announcements in "Dita Jug" Saranda (local newspapers).
- b) Media coverage for regional and national meetings of KASH and participation by journalists from local TV stations, radio stations or newspapers.
- c) Articles in Albanian Telegraphic Agency (Internet broadcasting) and different daily and local newspapers.
- d) Media coverage for the Memorandum of Understanding Ceremony between KASH and AKA. (Kosovo homologue). Notifications in 5 daily newspapers for the Memorandum of Understanding between KASH and AKA. (Kosovo homologue).

4. Provide necessary information to consumers and clients on food quality and safety

- a) Continued the collaboration with BBF TV station and Veterinary Research Institute in producing programs for important issues related to the Albanian produced food quality and safety.
- b) Media coverage for the workshop organized by the Veterinary Research Institute, Food Research Institute, Floryhen, and the project on the quality and standards of eggs.
- c) Media coverage of the workshop organized in Vlora by the Veterinary Research Institute, Food Research Institute, AOA and project on the quality of olive oil.
- d) Preparation and printing of leaflets and posters used for promotion purposes in the International Conference on food quality and safety. Arranged public advertisement of the event.
- e) Arranged promotion of the International Conference on Food quality and safety. Ensured the participation of journalists from public, private and local TV stations, radio stations, newspapers and Albanian Telegraphic Agency.

- f) Media coverage for the workshop organized in AUT by the Tempus program in collaboration with the Project.
- g) Designed a logo for the Foundation of Agribusiness Experts.

5. Inform decision-makers and the public on Agribusiness policy and regulatory issues.

- a) Assisted in the organization and promotion of the ceremony of the Gold Medal Award given to Claude C. Freeman III by the President of the Republic of Albania at the KASH General Meeting. Ensured the participation of the media. Prepared and delivered a packet on the event (articles, photos, video tapes) to IFDC Headquarters, USAID, KASH etc.
- b) Raised the attention of public and decision makers on KASH advocacy issues. Published in five Albanian daily newspapers the Memorandum of Understanding between KASH and AKA.
- c) Placed features in different media sources about KASH advocacy issues.

6. Develop regional media's agribusiness awareness and stimulate Agribusiness Related programs.

- a) Media coverage for regional meetings of KASH.
- b) Placed articles in regional media for agribusiness in Albania and important role of KASH.
- c) Placed 41 notifications for Regional Meeting of KASH in local Radio and TV Stations
- d) Conducted a promotion strategy in Vlora/Saranda region for raising the awareness of farmers about the collection and processing of olive that would help improving the production of extra virgin olive oil.
 - Production of 5000 simple leaflets and 80 black and white posters
 - Production of 13 banners saying, "Olive is your treasure. Welcome!"
 - Production of a Radio Announcement
 - 60 Announcements in "Butrinti" Local Radio Station
 - 20 Announcements in "Saranda" Local Radio Station
 - 20 Announcements in Klan TV

Achievements Contributing to Meeting Results Indicators

- 1. Successful promotion of KASH in important events like the Tirana Board Meetings, Regional Meetings, Memorandum of Understanding with AKA, Annual Meeting, and the ceremony of the Gold Medal Award given by the President of the Republic to the IFDC Chief of Party.
- 2. Activities with the Veterinary Research Institute and Food Research Institute helped raise public and consumer awareness regarding food standards and quality. The International Conference on food quality and safety was one of the most important activities of the Project in collaboration with Research Institutes, and the media coverage brought more attention to the issues.
- 3. "Agrobiznesi" continues to be the only publication available in Albania about agribusiness and Media Unit work consists not only in highlighting KASH and Project activities and achievements, but also in making it effective for farmers and entrepreneurs throughout Albania.

4. The regional promotion strategy on olive oil aimed at improving the collection and processing of olives that would result in better quality products.
5. High regional impact of KASH and ABMC was achieved through the regional media coverage.
6. Several association clients and members were assisted with media services and public relations
7. Developed a logo for the Foundation of Agribusiness Experts.

Contribution Calculations for July - December 2001

What	Contributions
Foundation of Agribusiness Experts logo design	\$ 150
Media coverage for one greenhouse Inauguration	\$ 1,600
Media coverage for Gold Medal Award	\$ 1,600
Media coverage for International Conference	\$ 1,600
Publicity from Albania Radio for the Conference	\$ 200
Media coverage for KASH Regional Meetings	\$ 800
Media coverage for AOA olive workshop	\$ 400
Local media coverage Meeting of ANSPA	\$ 50
Media coverage for APFA workshop	\$ 400
Media coverage for Tempus/AUT meeting	\$ 200
Media coverage for 2 Tirana Meetings of KASH	\$ 1,200
Articles in various newspapers, ATA (internet)	\$ 1,000
Promotion Package for AOA	\$ 1,200
TOTAL	\$ 10,400

F. DEVELOP CREDIT UNIONS ANCHORED IN AG TRADE ASSOCIATIONS

General Status

During July-December 2001, the Project sub-contractor, Development Credit Savings Movement Albanian Foundation (DCSMAF), continued to support the Credit Union Unit (CUU) of the AAATA Project in its effort to provide agribusiness trade association members with access to low-cost credit. DSCAMF, IFDC/AAATA, and LOL are partners working towards the goal of providing credit at the farm level. The AFADA CU remains the largest credit union in Albania.

Summary of Objectives

- 1. Assist in the development of safe, sustainable, quality credit unions serving agribusiness trade association communities.**

Activities in Support of Objectives

- 1. Develop Safe, Sustainable, Quality Credit Unions Serving Agribusiness Trade Associations and their Communities. Help Identify and Mobilize Groups, Establish Procedures and Framework.**

Focus: Participate in AFADA meetings to build a better understanding of credit unions and increase savings to \$100,000.

- a) The CUU, in collaboration with DSCAMF, participated in AFADA CU meetings.
- b) Six ACSA Executive Council meetings were held during the reported period. They focused on:
 - Reviewing routine activities
 - Examining the financial records of the AFADA Credit union
 - The new strategy to increase membership (including women)
 - The new strategy to increase savings in the level \$ 100,000
 - Loans approved
- d) One meeting of the National Credit Union monitoring body was held during this period. Two representatives of the AFADA Credit Union participated.
- e) LOL subcontract participation. The results of the work include an increase in savings of 61.8 %. During this reporting period, savings increased by 1,338,635 Lek. Membership increased by 193. Five loans were disbursed and 3 new credit unions created.

Focus: Develop the Loan procedures and training programs for the AFADA Credit Savings Association (ACSA)

- a) Undertook training activities to improve procedures for accounting, budget and internal auditing, the Financial Performance Reporting Report, loans approvals, and AFADA Treasure Training.
- b) All loans are closely monitored. When arrears occur, members are notified immediately to bring their accounts up to date.
- c) Five directors of the AFADA Credit Union participated in a Irish League Study Tour in November.

Focus: Participate in ANSPA meetings to meet members and build a better understanding of credit unions philosophy

- a) The CUU participated in the KASH Regional meetings held during the 2-nd half of 2001. A total of 120 ANSPA members attended these meetings and was informed about the ANSPA Credit Savings Association's activities, as well as general credit union concepts.
- b) Three ANSPA CU Executive Council meetings were held during the reported period. These meetings focused on:
 - Reviewing routine activities
 - Examining the financial records of the ANSPA Credit union
 - The new strategy to increase membership
 - The new strategy to increase savings
- c) One meeting of the National Credit Union monitoring body was held during this period. Participants: 2 representatives of the ANSPA Credit Union

Focus: Further develop and training programs for ANSPA Credit Union

- a) ANSPA Credit Committee training (Advanced training).
Participants: Credit Committee (3 members)
- b) ANSPA Supervisory Committee (advanced training)
Participants: Supervisory Committee (3 members)
- c) ANSPA Credit Union Chairman training (Advanced training)
- d) ANSPA Treasure training
- e) Financial Performance Reporting Report
- f) Irish League Study Tour with all Directors of the ANSPA Credit Union
- g) Promotional Seminar with all the members of ANSPA Association to increase membership and Savings

Focus: Establishing the third Credit Union based on members of the HABA Association.

- a) Participated in the meetings and field days organized by HABA.
- b) Identified a Study Group for establishing a Credit Union base in HABA.
- c) Beginning Training programs with Study Group
- d) Plan to register the HABA CU by the end of January 2002.

Achievements Contributing to Meeting Results Indicators

- 1. Membership at the end of 2001 stands at 133 on December 2001.
- 2. Women are 30 % of AFADA CU membership.
- 3. Membership savings increased to the level of \$101,000
- 4. Fourteen loans were issued to AFADA CU Members during the second half of 2001

The value of loans issued: Leks 11,950,000 = \$87,226 (1\$=137 LEKS)

Value of loan repayment: Leks 4,050,000 = \$29,567

Credit outstanding: Leks 7,900,000 = \$57,664

5. 245 ANSPA Members received in-depth information about the ANSPA CU as well as general information about credit union concepts, membership, member participation etc.
6. Membership in the ANSPA CU at the end of December 2001 stands at 101 members.
7. ANSPA Membership savings is 730,000 leks (\$5,328)
8. A loan of 50,000 lek was issued to an ANSPA Credit Union member.
9. The results of the work include an increase in savings of 61.8 %. During this reporting period, the savings were increased by 1.338.635 Lek. Membership increased by 193 members. Five loans were disbursed and 3 new credit unions created.

Contributions Calculations for July – December 2001

What	Contribution
ACSA Executive council Mtgs. (6 x 7 members)	\$ 2,100
ACSA Members savings	\$ 2,000
Presentation to ANSPA Regional Meetings (245 members)	\$ 13,500
ANSPA CU Executive Council Mtgs. (6 x 10 members)	\$ 3,000
ANSPA CU Members savings	\$ 2,500
Training Programs of HABA Study Group (4 x 14 people)	\$ 1,200
Savings of LOL Credit Unions	\$ 9,770
TOTAL	\$ 34,070

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G. SUSTAINABILITY OF AGRICULTURAL STATISTICAL SERVICES IN ALBANIA

General Status

The main thrust of activities during the second half of 2001 was directed to improve the agricultural statistical services provided by the Directorate of Statistics (DSI) of the MOAF and to develop the expertise of field staff in the collection, analysis, and organization of annual surveys data. Other activities aimed to improve computer and software resources, and the planning and execution of training programs for personnel of the central office and prefecture/districts in areas of agricultural statistics and data reporting services.

The IFDC consultant analyzed the services provided by DSI and discussed his assessment thoroughly with other Directorates and the director of DSI service. The head of operation services, as well as the service staff and the prefecture/district directors were involved in this analysis. The main purpose was to make the service sustainable after the conclusion of the present project and to improve cost, efficiency, and rationalization of actual information services.

The Ministry subsequently presented a proposal to the World Bank that seeks financial assistance to improve the service organization, provide resources at prefecture and district level, and support the DSI/MOAF budgetary allocation for collecting and disseminating agricultural information.

Summary of Objectives

- 1. Assist in the development of a sustainable Statistics Unit within MOAF, that can provide reliable agricultural statistics.**

Activities in Support of Objectives

- 1. Assist in the development of a sustainable Statistics Unit within MOAF, that can provide reliable agricultural statistics.**
 - a) Assistance in **development of field expertise** for survey services was provided in the following activities:
 - **Agricultural Surveys.** The assistance included: revision of sampling system and data entry procedures, evaluation of the area sampling frame, and analysis of the agricultural survey II. Another activity was the development of computer programs for data entry and edit and for survey analysis at district offices. One national agricultural survey was conducted during October-December. The agricultural survey included 12 prefectures and 36 districts where 3200 farmers were interviewed. It provided information on agricultural production, area, and prices for main crops and livestock. A special national survey (outliers) was conducted on selected farms during August-September.
 - **Agro-Industry Surveys.** Under the supervision of the consultant, a new computer program was developed for data quality control, editing, summarization, and report presentation. Revisions were done on data organization, resource requirements, documentation and procedures on quality control and data collection at prefecture/district levels. Two quarterly surveys were performed during July - December.
 - **The Greenhouse Survey.** Manual and procedures for data collection were standardized and the reporting system was simplified. An analysis of the sampling system was carried out and the sample was upgraded. A computer program was developed for data analysis and report presentation. A national survey was conducted in July-October.

- **Price Surveys.** The consultant collaborated with the DSI Director, district heads of statistical services, and other directorates in determining the purpose, use of the data, and the reporting system. A more adequate processing and database system was established, and strategies for developing price indexes, forecasting, and reporting were discussed and implemented with DSI staff and the economic and policy unit of MOAF. Price surveys of agricultural commodities and reporting were processed monthly and weekly. The information has been provided to offices and institutions requiring the service.
- b) **On-the-job training** activities continued with evaluation of data entry and editing of the agricultural and agro-industry surveys and in the preparation of a sampling frame for the greenhouse survey. Staff members of the central office have been involved in these activities.
- About 100 interviewers from all statistical offices in the country were trained in techniques for survey data collection.
 - Another regular training activity was the development of skills in the use of **computer software packages** for analysis and reporting. The consultant prepared additional material on basic concepts on data evaluation and analysis for crop production projections and forecasting and agricultural price analysis among regional areas. The training materials are being translated into Albanian and are being compiled as guides for continuing training.
 - Training in **agricultural statistics** was concentrated in the following areas: building and use of sampling frames, stratification, miscellaneous survey techniques, and data analysis and presentation. Six staff members and 12 district officers were trained.
- c) **Budget and Equipment Resources.** Revisions and upgrades of the hardware and software actually in use by DSI have continued. DSI installed eight new computers and three printers and improved resources for data processing in key districts in the country. The computer resources provided will be primarily used to organize survey data management and support database organization at prefecture and district level.
- Discussions continued with the DSI director and the Vice-Minister to consolidate the DSI budget and reduce costs without losing efficiency. The costs of surveys have been reduced by about 40%, and the efficiency on quality and timelines of the reporting system improved.
 - The **reduction of costs** was achieved principally by integrating survey activities in district offices, increasing and standardizing training activities, transferring more survey activities to prefectures/districts, and sharing of costs with other Directorates.

Appendix A

ADU/AAATA LIST OF CLUSTER CLIENTS

NR	Firm Name	Owner Name	Location	Activity	Telephone
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DAIRY PROCESSING

1	Mireli	Aqif Caca	Kavaje	Dairy processing	382025870
2	Deltaton	Edmond Gjata	Lushnje	Dairy processing	382027195

MEAT PROCESSING

3	Meat Master	Çesk Kimça	Shkoder	Meat processing	2242438
4	Sagi	Gligor Lengo	Tirana	Meat processing	382020917
5	Armet	Arben Thomai	Tirana	Meat processing	
6	Apollo	Sokol Meqemea	Tirana	Meat processing	37720
7	Arilta	Arben & Ilir Tafaj	Tirana	Meat processing	
8	Kennedy	Sadete Tola	Tirana	Meat processing	
9	Bardhi	Qemal Bardhi	Tirana	Meat processing	
10	Tona	Nikolla Tona	Korçe	Meat processing	

OLIVE & EDIBLE OIL

11	Kapllani	Lulzim Kapllani	Vlore	Olive Oil Processing	
12	Papagjika	Agron Papagjika	Sarande	Olive Oil Processing	
13	Gjikondi	Anastas Gjickondi	Qeparo	Olive Oil Processing	
14	Leka	Mark Leka	Lezhe	Edible Oil	382021585
15	Piku	Petrit Piku	Elbasan	Olive Oil Processing	
16	Aliraj	Pellumb Aliraj	Vlore	Olive Oil Processing	
17	Vajra Bimore	Bajram Dine	Fier	Edible Oil	382022668

POULTRY/EGG PRODUCERS

18	Cengo	Sefedin Cengo	Peshkopi	Poultry/Egg Porducer	3422079
19	AIBA	Igli Çela	Durres	Poultry/Egg Porducer	
20	EN&ZY	Enver Ferizaj	Kavaje	Poultry/Egg Porducer	
21	DRIZA	Hiqmet Driza	Fier	Poultry/Meat Porducer	382024664

FLOUR MILLING

22	Ekonomi	Kurt Ekonomi	Durres	Flour Milling	5223474
23	Leonidgent	Guri Zaçellari	Korça	Flour Milling	
24	Onir	Pellumb Rrasa	Elbasan	Flour Milling	5457132
25	Habin Shop	Albert Shopi	Elbasan	Flour Milling	5453161
26	Ferizaj	Safet Ferizaj	Kavaja	Flour Milling	5742158
27	Myzeqeja	Lluka Jani	Lushnja	Flour Milling	
28	Agroinvest	Fuad Haxhiymeri	Tirana	Flour Milling	

FRUIT AND VEGETABLES PROCESSING

29	Shpiragu	Kristaq Gallani	Berat	Fruit and Vegetables Processing	6234451
30	Albkonserva	Xhovani gallani	Lushnja	Fruit and Vegetables Processing	6522305
31	EN&ZY	Enver Ferizaj	Kavaja	Fruit and Vegetables Processing	382024365
32	Redi	Qani Gjylsheni	kavaja	Fruit and Vegetables Processing	5743114
33	Backa	Petrit Backa	Fier	Tomato Processing	
34	ALGREC	Agim hasani	Tirana	Fruit and Vegetables Processing	
35	Sinani	Ismail Sinani	Saranda	Fruit and Vegetables Processing	
36	Agro-Eva	Agron Koçi	Elbasan	Fruit and Vegetables Processing	5452294

continued

ADU/AAATA LIST OF CLUSTER CLIENTS

NR	Firm Name	Owner Name	Location	Activity	Telephone
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GREENHOUSE & VEGETABLE PRODUCTION

37	Alfa Romeo	Fatmir Kallbaqi	Durres	Greenhouse	5224936
38	23 Korriku	Irakli Kola	Lushnja	Greenhouse	
39	Goxhaj	Liljana Goxhaj	Tirana	Greenhouse	
40	Bajkaj	Ismail Sinani & Agim Roboçi	Saranda	Greenhouse	
41		Osman Xhaferri	Saranda	Open Field	
42		Ziso Kapurani	Saranda	Open Field	
43	ANSPA - MC	Myfit Islami	Fier	Potatoes Seed Trading	
44	ADRIATIK	Agim Janku	Divjaka	Open Field	
45	DARIO ASSC.	Zabit Sharka	Hysgjokaj	Greenhouse	
46	AGROBLEND	Fiqiri Ismaili	Vora	Seed and Sampling Nursery	
47		Merqez Roboçi	Saranda	Open field	

FISHING & FISH

48	Mani	Hysen Mani	Sarande	Fisshing	
49		Arjan Palluqi	Tirane	Fisshing	50622
50	Euro-Fish	Kujtim Shkreli	Lezha	Fish Processing	
51	Bajraktari	Shyqyri Bajraktari	Lezha	Fishmeal Processing	
52	Hysgjokaj	Farmers	Hysgjokaj	Fish Farming	
53	Sezairi	Besnik Kadia	Lezhe	Fish Trader	

MACHINERY & EQUIPMENT

54	"Auto Trk 93"	Xhoxhi Marku	Tirana	Service	235609
55	Muho	Shkelqim Muho	Cerrik	Machinery	5458949

AGRO INPUT DEALERS

56	Fertila	Shpetim Mancaku	Tirana	Agro Input Trader	
57	Agro-Bujqesia	Engjell Jazxhi	Tirana	Agro Input Trader	

Appendix B

CONTRIBUTION CALCULATION FOR JULY - DECEMBER 2001

COMPONENT		AMOUNT \$
I. AGRICULTURAL TRADE ASSOCIATION STRENGTHENING		
Study tour		13800
KASH National Agribusiness Council regional meetings		8750
Association Board Meeting		6800
KASH National Conference		11150
Four KASH Board Meetings		6400
Information and External Training		11800
Newsletter Publication		2000
KASH Advocacy		9700
Provide Technical Assistance		69500
ABMC Budget		40141
Total Budget of 7 Associations		34161
TOTAL I		214202
II AGRIBUSINESS DEVELOPMENT		
Site Visits to Clients 80 x \$ 100		8000
Trade Mission, 4 people x 5 days		4000
New Capital Investment by Clients		502000
Supplying Trade Credits		500000
TOTAL II		5532000
III FINANCE AND CREDIT		
Site Visits to Clients 22 x \$ 100		2200
Business Plans (15)		1500
ABA disbursed loans (3)		380000
TOTAL III		383700
IV INSTITUTION SUPPORT		
1. FRI and VRI Support		
a) Workshop with AOA		500
b) Workshop with APFA		450
c) Participation in KASH Meetings		850
d) Participation in GMP/HACCP Seminar		600
e) International Conference on Food Quality and Safety		12000
f) One Expert Council Meeting		650
g) Participation "On the spot Courses"		1200
h) Draft Standard Counseling		1000
SUBTOTAL IV-1		17250
2. Private Sector Extension Service		
a) Seminar with AOA		1000
b) Field Day & Demonstrations in Gjirokastra		800
c) Field Day & Demonstration in Divjaka		400
d) Divjaka TTC (Autumn-Fall Winter Vegetables)		1500
e) DSE/GTZ Training		10000
SUBTOTAL IV-2		13700
3. Competitive Advantage Analysis		
a) Seminar on "Comparative Advantages in greenhouses"		2100

	b) Seminar on "Comparative Advantages in greenhouses"	1250
	SUBTOTAL IV-3	3350
	TOTAL IV	34300
V	MEDIA DEVELOPMENT AND SUPPORT	
	Foundation of Agribusiness Experts Logo Design	150
	Media Coverage for one Greenhouse Inauguration	1600
	Media Coverage for Gold Medal Award	1600
	Media Coverage for International Conference	1600
	Radio Program for the International Conference	200
	Media Coverage for KASH Regional Meetings	800
	Media Coverage for AOA Workshop	400
	Local Media Coverage for ANSPA Meeting	50
	Media Coverage for APFA workshop	400
	Media Coverage for Tempus/AUT Meeting	200
	Media Coverage for 2 Tirana Meetings of KASH	1200
	Articles in various newspapers, ATA (internet)	1000
	Promotion Package for AOA	1200
	TOTAL V	10400
VI	CREDIT UNIONS IN AG TRADE ASSOCIATIONS	
	ACSA Executive Council Meetings (6x7 members)	2100
	ACSA Memebtrs Savings	2000
	Presentation to ANSPA Regional Meetings (245 members)	13500
	ANSPA CU Members Savings	2500
	Training Programs of HABA (4x14 people)	1200
	ANSPA CU Executive Council Meetings (6x10 members)	3000
	Savings of LOL Credit Unions	9770
	TOTAL VI	34070
VII	AGRICULTURAL STATISTICAL SERVICES	
		0
	TOTAL VII	0
	CONTRIBUTIONS TOTAL	6208672

Appendix C

Conclusions of the International Conference “Food Quality and Safety”

1. Legal Issues

- The Law on Food needs to be revised in order to make it compatible with the respective European Laws. This will help in the integration of Albania in the European Union. It was specifically pointed out the necessary revision of **Chapter 7** “The Governmental Control of Foodstuffs” aiming at reorganization of food control structures in order to reach their unification in a single structure.
- Finish drafting governmental laws necessary for the proper implementation of Law on Food.
- The Draft of “Law on Olive Oil” should be sent for approval.
- Immediately start working on the Albanian Codex Alimentarius (the Albanian regulations on food safety, standards and practical rules). The Codex will serve the needs of Albanian consumers and exporters. Efforts should be made so that the standards are fully recognized by the producers. Thus they should know what standards are obligatory and which ones should be met in order to produce higher quality and safe products accepted by EU, and thus create more export opportunities.

2. Role of Controlling Structures

- The existing Controlling Structures should strengthen their role for a better control and law enforcement. Withdrawal due to pressure or non-legal actions is harmful.
- It is crucial that Controlling Structures pay great attention to product adulteration particularly for products like olive oil, alcoholic and non-alcoholic drinks, milk products, meat products, false labelling, etc.
- The Controlling Structures should also focus on the safety issues of canned products; especially can sterilization and hazardous metals control.
- The Controlling Structures should exercise their legal authorities for halting the marketing of eggs that do not meet the standards (small size, kept in refrigerator for a long time, kept and marketed not according to the standards etc.).
- Special attention was given in the Conference to radioactivity control of foods of animal and plant origin. As emphasized in both sections, radioactivity becomes an issue as it hurts every kind of product despite its origin, but it is even more serious for those products originating from areas close to where Chernobyl accident occurred.

3. Organization and strengthening of Controlling Structures

- It was pointed out in the Conference that the current organization of the Controlling Structures is inappropriate. Therefore, the existing Controlling Structures should consolidate and reorganize. The new organization system of Controlling Structures should be well designed (probably a **National Foodstuffs Control Center** can be established that will include the veterinary, quality and public health inspectorates). That requires a new law.
- The existing Controlling Structures such as the National Board of Foodstuffs should be active with analysis or measure actions in order to improve the Foodstuffs Industry. The Law on National Board of Foodstuffs Control should be revised, especially those articles that have to do with its composition and authorities. This Board should be composed of experienced and reputable people. This Board should also have representatives from private businesses. Nevertheless, the most important issue is increasing the Board’s authorities, meaning it should not only have coordinating and advising power, but also executive authority.

- The foodstuffs inspectors must significantly increase their controlling and enforcing role. Their authority must increase with the assistance of the responsible governmental Controlling Structures.
- Establish a system of fines for all the services, in cases where there is none now. Fine collection should be organized and obligatory.
- Reference points or centers should be supported with equipment (laboratory supplies and diagnostic means) in order for them to strengthen their role. Thus, reference points will be able to carry out rapid and accurate diagnostic analysis at the level of European Laboratory Institutions. Reference points should incorporate in their working programs trainings at their facilities of regional laboratory specialists, and should check the quality of the analysis the latter conduct.
- Training of Reference Point' personnel is a necessity, therefore it should be continuous.
- The food control concerned Institutions should dismiss disagreements with each other; they should coordinate their work and get the Food Industry sector under control.
- No more investments should be made for setting up new labs or controlling structures without the decision of specialized research institutes charged to meanwhile function as reference points. We think that the establishment of new labs and their efficacy should be part of the work of National Board of Foodstuffs Control.

4. Collaboration among Albanian Institutions and with Foreign Institutes.

- Increase the collaboration and interactions among Albanian foodstuffs concerned structures.
- Increase the cooperation between research institutions, controlling structures and law enforcement entities with the foreign counterpart structures. The government should organize this collaboration.
- Support the Research Institutes with qualification programs for their specialists in order for them to be able to apply new methods and techniques that are rapid and efficient for food control.
- Support the Research Institutes in establishing new labs, which do not yet exist but are a necessity, an imperative task and a demand of European Research Institutions (ERI). For example, setting up a product adulteration identification lab at the Food Research Institute, or a BSE lab at the Veterinary Research Institute. The above will enable Albanian researchers be compatible and closely cooperate with European scientists and solve problems in due time.
- The government should cover financially the food control. Our up to date experience, based on payment on individual basis for food control analysis, is unacceptable and does not comply with the European legislation.
- The Border Custom's office should not be called the Interior Custom's office as they create problems in regard to foodstuffs importer's check up.
- The government should support monitoring the food toxins and hormones as well as imported seafood in order to ensure business continuity and product exportation such as meat or mollusks.

Increase producer awareness regarding the necessity of GMP and HACCP implementation that will ensure business continuation and more export opportunities. These systems should be a high priority of the work of local specialized and administrative authorities and entities that are closely related with private business sector.